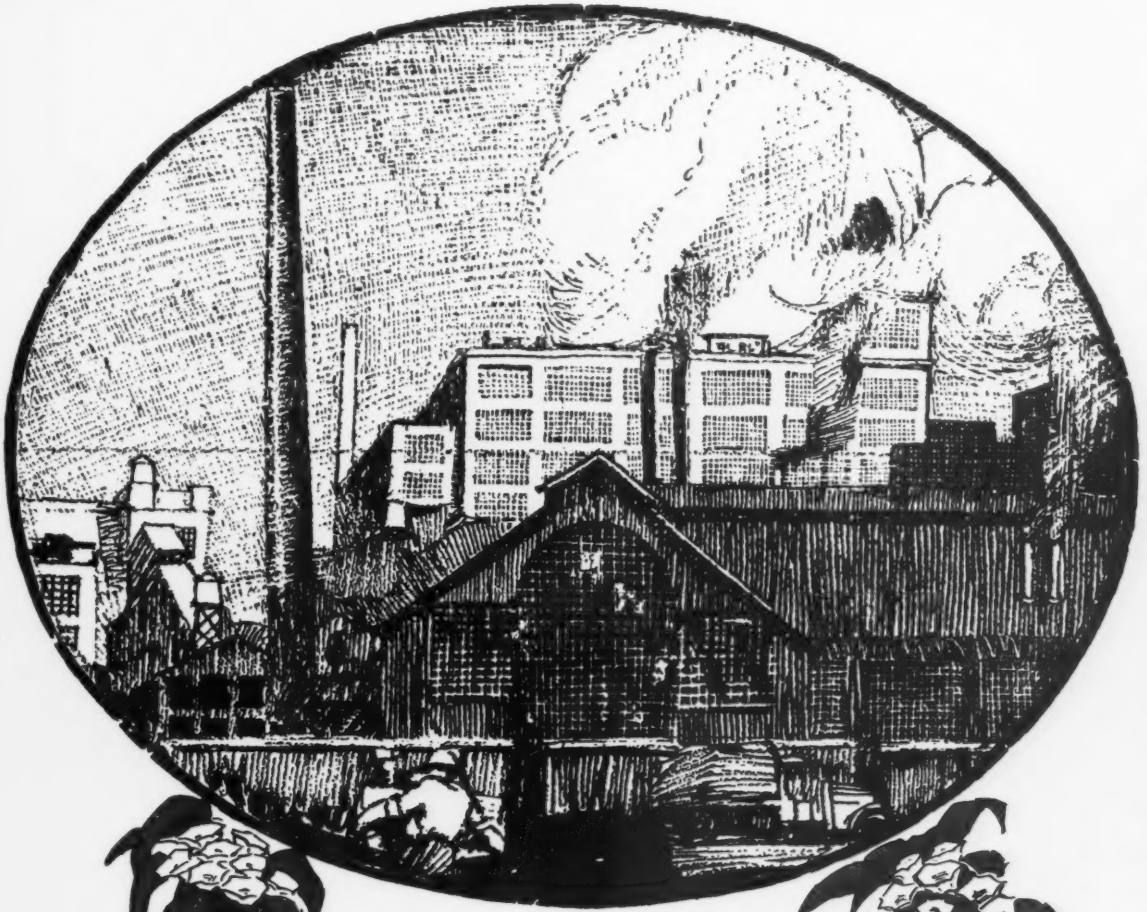


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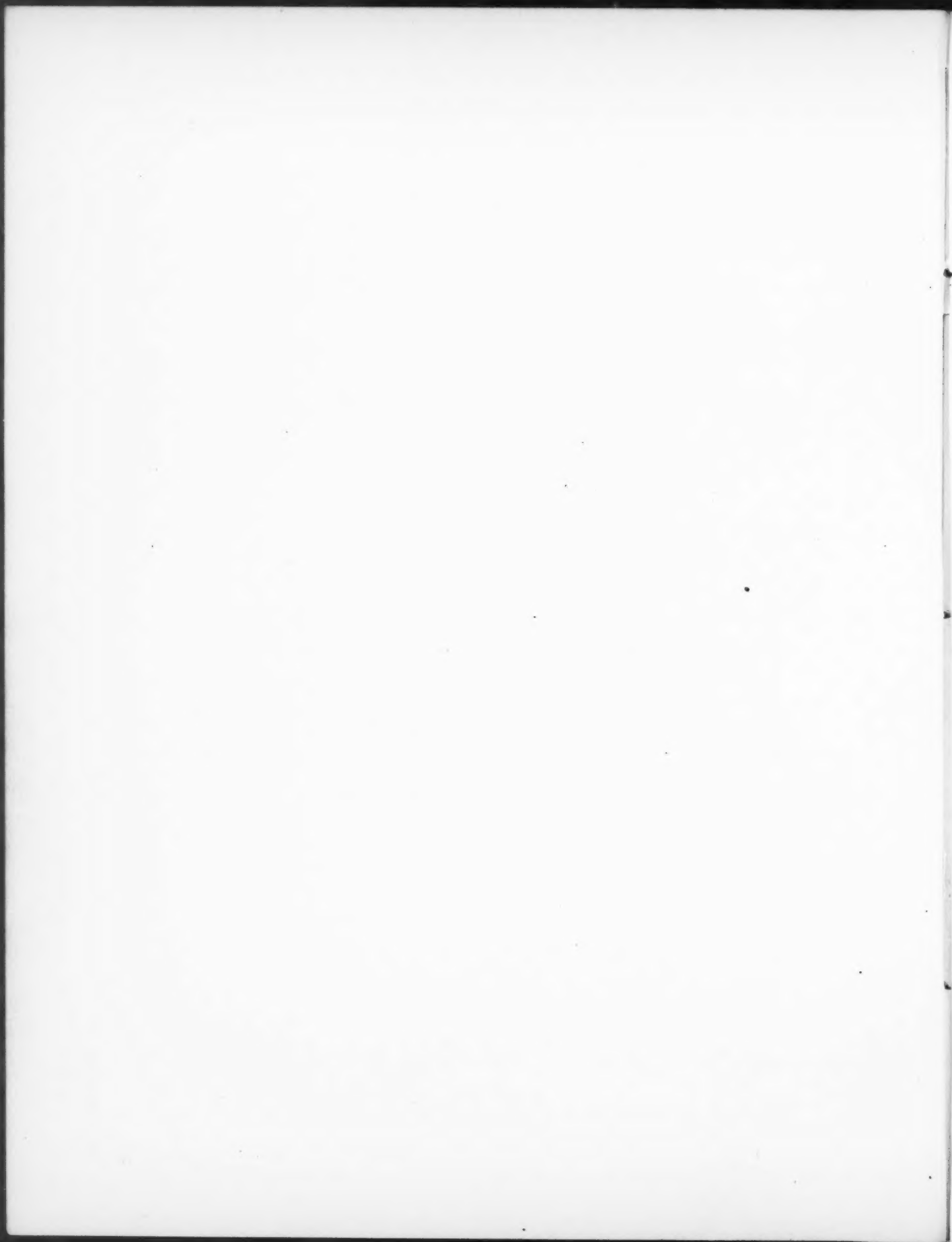


# CONNECTICUT INDUSTRY

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The Manufacturers Association of Connecticut, Inc.

1925



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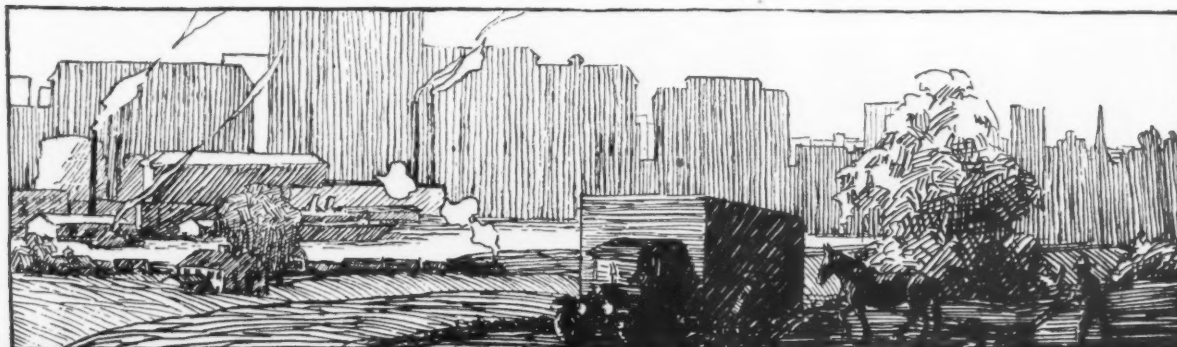
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## THE CONNECTICUT GENERAL ASSEMBLY OF 1925

The representatives of the people have gathered together in the 1925 session of the Connecticut General Assembly. The tasks which have been imposed upon them are many and of great importance. They will be harassed by the selfish, the designing, the radical, and by those with good intent. By their ability to select and to analyze motives will the future of Connecticut be determined.

As citizens of the State our responsibilities are likewise clearly defined. It is our duty to support all needed legislation. It is likewise our duty to oppose all ill-advised legislation. Our code of conduct must be the same as that which governs our representatives. In the main we must observe six cardinal points in deciding our position in regard to any particular piece of legislation:

1. Is it paternalistic?
2. Does the proposed legislation contribute to public health, safety, or welfare, or to economic development?
3. Will it benefit a special class only without reacting for the general welfare?
4. Have the sciences or the arts contributed the knowledge necessary to make it workable or effective?
5. Does it perfect existing machinery of government?
6. Does it extend rights and privileges or impose obligations in conformity with federal and state constitutions?
7. Is it in conflict with the principles for which we as citizens stand?

Fortunately those who represent the constituency in the Connecticut General Assembly are men and women of vision and sound judgment who are not led astray by the wild clamorings of those who would burden our statute books with needless legislation. In that fact lies our security.



## THE INDUSTRIAL EVOLUTION OF NEW ENGLAND

By E. KENT HUBBARD

*President's Address Delivered at the Annual Meeting of the Manufacturers Association of Connecticut.*

We have not assembled today to sing the praises of the Association. Those who are present I trust believe in the organization and its work. We may safely assume that those who are absent likewise recognize the necessity for organized effort in the solution of the many problems which confront us else they would not be members.

On the other hand no one will contend that those progressive concerns which have failed as yet to join us, do not appreciate the indispensability of cooperative action. They recognize the fact that group organizations and their political cousin, the "bloc," have come to have an important place in our economic and political structures.

Every constructive movement or legislative proposal in the history of this or any other state or nation has been brought to final victory through the efforts of an organized group. Likewise every destructive movement or legislative proposal has reached its intended goal because the constructive forces have been outnumbered or apathetic. Any person or any organization neglecting to lend support to the group which is fighting his or its battles is aiding the forces which seek to destroy him or it.

### POLICY OF THE ASSOCIATION IN REGARD TO MEMBERSHIP SOLICITATION

The directors, officials and staff of the Association believe that, as nearly as possible, every dollar paid in by a member concern as dues should be considered as a stock purchase which must pay regular and substantial dividends. Concerted membership drives cost money in salaries and travelling expenses. No members of the staff of the Association devote their time exclusively to mem-

bership solicitation and such solicitation as is made is purely incidental. The field staff is a service staff and I am proud to say that during the past year every member concern has been visited. We have taken the Association to the executive in his office and as a result we know the problems confronting each member and so are in a position better to serve. We have tried to make sure we were right and then we have gone ahead.

To carry out this policy of direct personal service the service staff of the Association travelled 22,000 miles from October 30, 1923 to October 30, 1924, a mileage nearly equal to that travelled by the American fliers in their globe encircling flight. During these service trips membership solicitation was, of course, carried on when opportunity afforded. If we had adopted the opposite policy of making service to members incidental to membership solicitation, we possibly would have been able greatly to increase membership. On the other hand we would have been negligent in the duty which we owe to those who have joined with us. We have kept faith and the steady growth of the Association since 1914 from 354 mem-

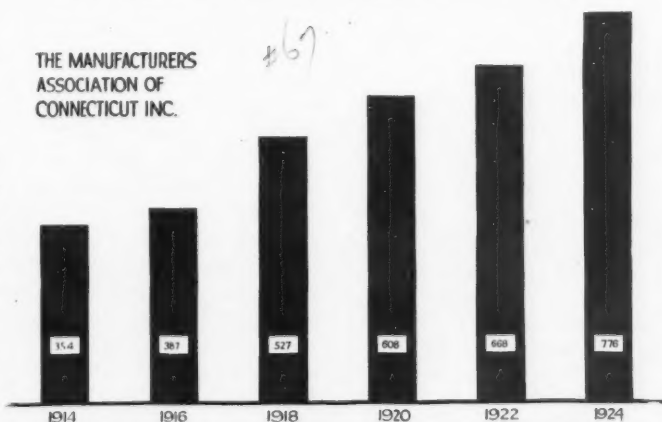
bers to 786 members in 1924 (an increase of 122%) attests to the soundness of the policy.

Let us place credit where credit is due — to the members of the Board of Directors, men known throughout the state, the nation and internationally, who meet month in and month out, who cast aside all

other obligations, including the obligations to their personal business in order to review and help solve the problems which affect your business; to the members of committees, numbering 70, experts in their fields who accept

### ASSOCIATION MEMBERSHIP 1914-1924

THE MANUFACTURERS  
ASSOCIATION OF  
CONNECTICUT INC.





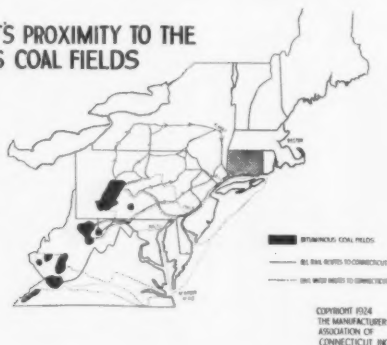
appointment with full knowledge that every committee of the Association is a working committee, pledged to serve the Association at all times, who serve without pay and without any other reward or consideration; to the members of the staff, who, in utter disregard of personal advancement, give their all in energy and loyalty and to the member concerns of the Association who assume the burden of cost of operation that Connecticut, as a state, may retain her position as workshop of the world.

#### CONNECTICUT'S PLACE IN AMERICAN INDUSTRIAL DEVELOPMENT

At our annual meeting in 1923 I attempted to point out to you some of the handicaps under which industrial New England in general and Connecticut in particular, operate. Today I shall attempt to present the brighter side for I believe that it can be successfully shown that by reason of past accomplishments and future promise, the state of Connecticut has contributed and will continue to contribute to the nation's industrial progress far beyond her proportion. I believe it can be successfully shown that the territory east of the Hudson River is not doomed to backwardness and decay as some of our competitors predict. I believe it can be successfully shown that New England in general and Connecticut in particular will continue to hold the supremacy which they enjoy as nearly as it is possible for any state or any geographical division to hold such supremacy in a country as large in extent and as wealthy in natural resources as is the United States.

I have no desire to tire you unduly, but be-

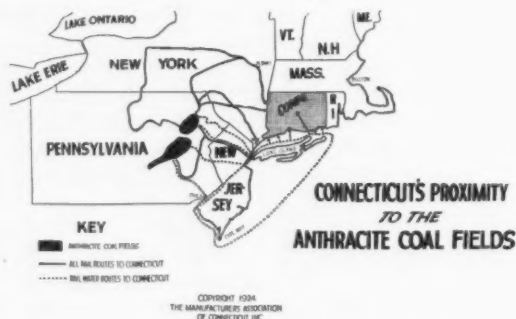
#### CONNECTICUT'S PROXIMITY TO THE BITUMINOUS COAL FIELDS



cause you realize that capitalization of experience as based upon economic history and scientific advance is necessary to proper preparation for the future, I should like to present a few facts which may bring home the realization that Connecticut has played and will continue

to play an important role in American industrial life.

We are apt to forget that the Housatonic Valley supplied the iron ore of which cannon and ammunition were made for use in the Revolutionary War. A Connecticut-made



chain stretched across the Hudson River kept the British fleet in coastal waters. Some of the first parts for steam locomotives, cars and coaches were made of Connecticut ore in Connecticut plants. From Newgate came copper for the first colonial coins. Lead was supplied by Middletown mines, and silver and other valuable metals were found in various parts of the state.

#### NATURAL RESOURCES AND PROXIMITY OF RAW MATERIALS

Today mines in Glastonbury and Middletown furnish the feldspar used in making enamel and stucco. Cheshire contributes baryta for use in making paint. From quarries in Reeds Gap, North Branford, Newington and Mr. Carmel is shipped by rail and water an enormous tonnage of trap rock to all parts of the country. Many of the brown stone fronts of New York, Philadelphia, Baltimore and Washington came from quarries of Portland and Cromwell. The Connecticut State Capitol at Hartford is built of Connecticut lime stone, the granite quarries of Branford are known far and wide and Connecticut-made brick furnishes material for many of our homes, offices, public buildings and roads. The 1,500,000 acres of forest land in the state, if properly cared for, will furnish Connecticut mills with lumber for many years to come. Who then can say in the face of these facts that Connecticut is devoid of natural resources? True, she has no coal, but the bituminous and semi-anthracite fields of the Virginias and Pennsylvania are easily accessible by rail and

water, while the great anthracite fields of Pennsylvania are at her door. Furthermore, she enjoys (with corrections for differences in B. T. U.) the rate of \$3.23 from the New River and Pocahontas fields of West Virginia as against the rate of \$3.38 to Raleigh, North Carolina, from Wise and Lee Counties of Virginia — the chief source of supply for southern mills. Her power fuel problem is further minimized by the fact that her streams supply over 150,000 H. P. with a potential horse power of twelve times that capacity from development of nearby projects. Add to this condition the fact that Connecticut is in direct line for practically unlimited quantities of hydro-electric power through the development of the Great Lakes-St. Lawrence project, and other developments. Add further the fact that she is able to receive via water 1,447,586 barrels of fuel oil annually, and as much more as needed.

Connecticut enjoys a geographical location which places her within forty-eight hours from the great steel center of the country. Furthermore, only recently have New Englanders determined that pig iron can be made in New England of Newfoundland ore, Virginia coke and Rockland lime stone, all material being brought by water and assembled at a lower cost than is possible at Buffalo. Bridgeport will, in the future, pocket the \$12 per ton rate of Buffalo pig iron and produce at a cost com-

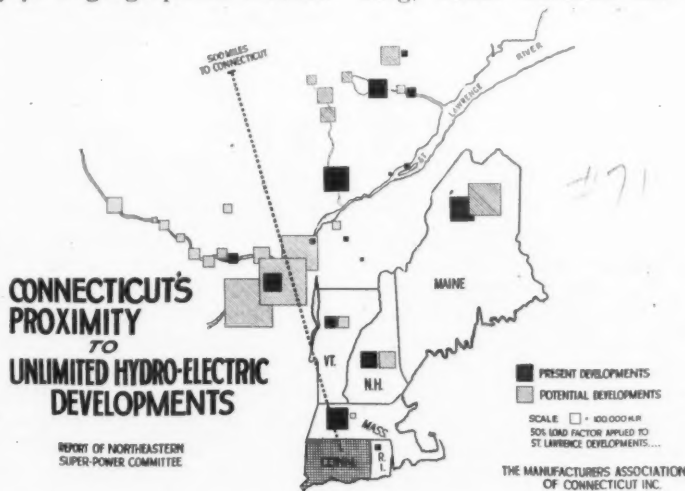
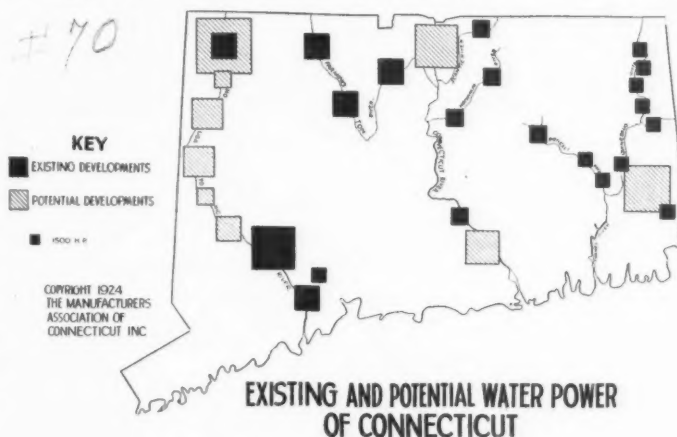
parable to Buffalo. Connecticut is but a few hours distant from the great copper and lead smelters of New Jersey. Her paper industries enjoy direct rail and water rates to the great pulp mills of Canada and other wood pulp supplies. Her textile industries receive,

freight paid, baled cotton at their doors at practically the same cost as that paid by southern mills adjacent to the cotton field. Then, too, both the mills of the Carolinas and of New England receive a large portion of their raw material from Oklahoma and Texas,

which during the past year, produced 54% of the crop. The carload cotton rate from Dallas, Texas to Charlotte, North Carolina and Greenville and Spartanburg, South Carolina is \$1.39, while to points in New England, such as Fall River, New Bedford and Lawrence it is \$1.39 and \$1.40, respectively. Note also that from Galveston, Texas to Charlotte, North Carolina and Greenville and Spartanburg, South Carolina the rate is \$1.00 as

against 55½c. and 63½c. to Providence and Lowell, respectively. Remember also that Connecticut and New England mills receive Egyptian cotton at the rate of 90c. per 100 lbs., insurance paid. Remember, too, that the differentials which we enjoy on finished goods make our

rates lower than the Carolina rates to many consuming centers, such as Chicago, Cleveland and Detroit and that on such commodities as cotton piece goods, denims and sheetings Con-



necticut manufacturers hold an advantage over Pacific coast ports of 14 days in transit and 19½c. per 100 lbs. in rate. In a word, because of her natural resources, because of her proximity to almost all sources of raw material, and because of the presence of other favorable factors which I shall point out, Connecticut has and will continue to prosper as a manufacturing center.

#### CONNECTICUT'S GREATEST RESOURCES

Abundance of natural resources and advantageous geographic location count for little if inventive genius and human initiative are lacking. Nowhere as in Connecticut and New England have these qualities been more clearly demonstrated. Yankee ingenuity is proverbial, and the New England bred man or woman, as well as the adopted children of New England have proved to the world that obstacles can be overcome and that after all man and his capabilities are more important factors in the growth of a state or nation than are natural resources or geographic location. "A Connecticut Yankee in King Arthur's Court" is more than a literary accomplishment—it is a clear presentation of the superiority of mind over mind and mind over matter. Given a man or woman with ingenuity and initiative and he or she will make the tools with which to carve a path of progress, regardless of the materials at hand. Yankee ingenuity, adaptability and initiative, evidenced by the supply of trained men and inventive minds, are the greatest resources enjoyed by Connecticut. While we cannot say that Connecticut holds a monopoly of these resources, we may say that they are possibly the greatest contributing factors to her industrial success and supremacy.

#### YANKEE INGENUITY AND ADAPTABILITY ILLUSTRATED

And so from the time when Connecticut colonists were first thrown upon their own resources they began to lay the foundation for the future progress of Connecticut. As early as 1740, William Patterson of Berlin traveled about the country selling cooking utensils which he had made in his own home. Nine years later John Allyn began conducting experiments in the handling of brass, thereby laying the foundation of the industry of the Naugatuck Valley and elsewhere within the state which, today, manufactures over three-quarters of the country's output. In 1768 Christopher Leffingwell established the first paper mill of the United States at Norwich, from which has sprung a

New England industry which produces a large proportion of the country's product. Also, at Norwich, Thomas Harland, in 1773, established the clock shop in which Eli Terry perfected pillar-scroll and case clocks. These men, together with Seth Thomas and Chauncey Jerome set the standard for clock making by which Connecticut became known and is still known as the nation's timekeeper—a timekeeper which supplies a majority of all timepieces to the people of the country. The inventor of the cotton gin, Eli Whitney, claimed New Haven as his home, as did Charles Goodyear, who made possible the great rubber industry of today, which New England shares with the Middle West. Through the efforts of Rogers Brothers, Hartford, in 1846, became the birthplace of electro-silver plating, which has established itself in Meriden, Wallingford, Norwich and elsewhere in the state. The textile industry, now flourishing in eastern Connecticut, may be traced to a small mill in Vernon, established in 1804.

If time permitted, I might trace practically all important industries to Connecticut or New England origin, for Connecticut and New England are truly the birthplaces of American industry. However, a sufficient background has been given to illustrate the Yankee quality of ingenuity and adaptability. Upon that background has been built a great industrial, commercial and financial structure. A structure which has survived the changing economic conditions, and supposed westward shifting of population. When I say "supposed westward shifting" I would like you to note that one-third of the entire population of the United States resides within 500 miles of Hartford, Connecticut.

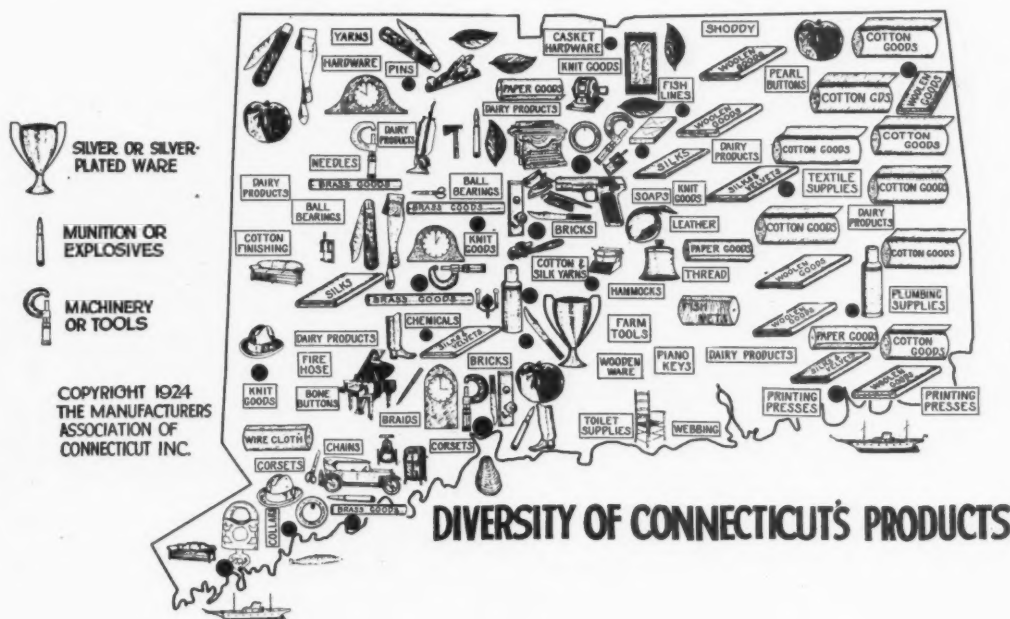
Critics may say that Yankee ingenuity is nothing more than an outworn phrase—that the Connecticut Yankee has passed—that this territory is overrun with foreigners who have neither the quality of ingenuity nor adaptability. But let us look at the facts. The State of Connecticut boasts of a native-born and naturalized white population of 81% of the total. That the aliens resident in Connecticut are assimilable is evidenced by their desire to become citizens, and, further, by the fact that they take an active interest in governmental affairs. In 1920, 58% of the native-white of native parents, native-white of foreign-born parents, the foreign-born white and the naturalized alien exercised the right of franchise. This interest in governmental affairs in the State of Connecticut is contrasted with the industrial



states of New York, Pennsylvania and South Carolina whose similar population exercised the right of franchise only to the extent of 43, 45 and 8% respectively. In addition to this evidence of assimilability of foreign-born and native-born of foreign parents, we may note the fact that so-called radical and communistic groups do not exist within the state. We have no "Red" problem. Our law makers and our citizens are not given to hysteria.

As proof that Yankee inventive genius still

far as finished products are concerned. As citizens of Connecticut, we might well, if we saw fit, supply ourselves with all necessities and luxuries of Connecticut make. We might live in a house built of Connecticut brick or of Connecticut timber, sawed and planed in Connecticut mills and fitted throughout with Connecticut fixtures. As Reverend Keefe, of Norwich, pointed out some time ago, an alarm clock made in Waterbury, New Haven, Forestville, Thomaston, Bristol, Sandy Hook or Winsted



flourishes, it is interesting to note that in 1923, 1,010 patents were issued to citizens of Connecticut. In other words, one patent was issued for every 1,367 of the total population. Inventive genius still flourishes, and Connecticut industries profit thereby.

## DIVERSITY OF PRODUCTS

Probably one of the greatest advantages enjoyed by the State of Connecticut is the diversity of the products which it manufactures. As a result of this condition any depression or shortage of skilled labor in any particular industry does not affect Connecticut as a whole. In fact, all the advantages which accrue from diversified manufacture are enjoyed by Connecticut. What is true of Connecticut is not true of any other state outside New England. Connecticut is almost an entity unto herself so

arouses us in the morning. From a bed made in Derby, supplied with Hartford springs and mattresses, with eastern Connecticut sheets and pillow cases, we jump out on a carpet made in Thompsonville or in a room heated by a Norwich or New Haven boiler and equipped with electrical fixtures from brass factories of Meriden and of the Naugatuck Valley. We turn the key in a lock made in New Britain, Stamford, New Haven, Terryville or Torrington, and we go into a bathroom supplied with valves and faucets from Bridgeport, Middletown, Waterbury or Hartford, soap from Glastonbury, tooth paste from New London, rubber goods from Beacon Falls, Hartford, Naugatuck or Norwalk, and chemicals from Naugatuck or Stafford Springs. We put on underclothing and a collar made in or from goods from Glastonbury, South Manchester, South

Norwalk, Bethel, New Britain, Plainfield, Putnam, or Windsor Locks, and if we happen to be straight-laced New Englanders, a corset made in Branford, South Norwalk, New Haven, or Bridgeport, a shirt from Norwalk, New Haven or Bridgeport, and a coat, vest and trousers made from cloth from East Lyme, Norwich, Rockville, Somersville or Stafford Springs, sewed with Willimantic, Rockville, Winsted or New London thread and Torrington needles on machines made in Bridgeport. Our wives renovate garments with silk from South Manchester, New London or Shelton, using hooks, pins and buttons from Waterbury, Derby, Shelton or Winchester, while the maid prepares our breakfast on a Norwich, New Britain or Stamford range. We read in the newspaper, the stock of which comes from Westport or Norwalk and which is printed by machines made in New London, of the battles which have been fought in Europe with guns and ammunition from Hartford, Bridgeport, or New Haven.

We pour cold water from a vacuum bottle made in Norwich, Meriden or New Britain into a cut glass goblet from Meriden, using silverware from Meriden, Wallingford, Waterbury, Bristol or Hartford. We eat America's best apples from New Britain or Windsor, her peaches from Glastonbury, eggs, milk and butter and fancy vegetables from farms in various parts of Connecticut. We may use canned goods from Guilford and seafood from South Norwalk. After breakfast we enjoy a cigar with a Connecticut wrapper, grown and made somewhere northeast of Hartford, while we take our Danbury, Bethel or South Norwalk hat and our Naugatuck, Beacon Falls, or New Haven rubbers and get into our automobile made in Bridgeport, equipped with Bantam, New Britain or Bristol ball bearings and tires and accessories from numerous places within the state. We drive through busy streets, macadamized with Connecticut trap rock, to our office building of Connecticut made brick or stone. All day long a fountain pen made in Seymour or a typewriter made in Hartford or Middletown writes our letters and figures our accounts, a dictaphone receives dictation and a visible index made in New Haven keeps our business in order. Our wives, our lives, our automobiles, our businesses and all we own are insured against all sorts of dangers by Hartford insurance companies.

Naugatuck ginger ale is our favorite drink, and a talking machine made in Bridgeport, a

piano made in New Haven or Derby, a radio from Meriden, Hartford, New Haven or Stamford delights a recreation hour. And when our life work is over, a New Haven or Hartford organ accompanies the funeral music as we lie in a coffin made in New Haven, trimmed with fittings from Winsted or Thompsonville. We thank God that we are finally placed in Connecticut soil with Connecticut flowers and Connecticut granite marking our grave. A graduate of Yale Medical School attends us just prior to this time. A Yale lawyer breaks our will, and a graduate of some Connecticut school offers up prayer for us. If, however, we are fortunate enough to avoid these last few events for the time being, a ship, built in Essex, Greenwich, or New London may take us to Europe. While enroute we may fish with rod and tackle from Torrington, New Haven or Bristol. For those of us who are not good sailors we may in part substitute the European trip for a trip through the territory within 200 miles of the Connecticut State Capitol. A territory which abounds in centers of historic interest; with mirror lakes and rising peaks rivaling those of Switzerland; with wooded hills, fields of glowing grain and sparkling yet lazy streams equal in beauty to those of England; with air at once as fresh and as salty as the air of Scotland; with vineyards and terraced hillsides as picturesque as those of old France, tilled by the same people who once tilled the soils of the Mother land; with climate as severe as that of Siberia or as mild as Italy; with shore watering places comparable to any in the old world for sheer beauty and convenience; with cities of size containing rare art collections, opportunity for mental and physical pleasure. In fact, a territory in which can be duplicated in a measure much of that which lures us to the Old World. In truth, Connecticut is the *Vacation Ground of America* as well as the *Workshop of the World*.

True, there are other states outside New England which may boast of diversified manufacture, scenic beauty and natural resources, but nowhere in the country is the diversity carried on such a large scale by nationally and internationally known industries in each division. Nowhere has scenic beauty been created in such a medley. Nowhere are natural resources so augmented by proximity and accessibility of essential raw materials. Nowhere has ingenuity, adaptability and universal capitalization of human capacities been applied as it has in Connecticut and in New England.

#### ADDITIONAL FACTORS WHICH HAVE CONTRIBUTED TO CONNECTICUT'S INDUSTRIAL STABILITY AND GROWTH

But let us analyze some of the additional factors which have made possible the phenomenal growth and inherent stability of Connecticut industry.

##### *Social Factors*

It may seem that I have gone rather far afield in attempting to point out the recreational resources of our section of the country, but, as an industrialist, I am much impressed with the belief that to enjoy permanent stability and continued growth, an industrial state must offer these facilities; as well as educational opportunities, the privilege of home ownership, the occasion for religious worship, and, in general, the chance for individual development and enjoyment. The industrial state which offers these advantages attracts and holds better citizens and profits thereby.

##### *Educational Facilities*

In the matter of educational facilities, Connecticut is well to the fore. The state may boast of 1,452 elementary schools, 6 universities, colleges and professional schools, 4 normal schools, over 40 private schools, and 9 large trade schools where tuition is free. There are in the state 83 four-year, 2 three-year, 1 two-year, 5 one-year secondary schools, and 12 private schools of the same type. Two hundred and seventy thousand persons attend the public schools and there is not a home in the entire state to which a public school of the first rank is not easily accessible. Connecticut public and private secondary schools rank second to none, while Yale and Wesleyan Universities, Trinity College, the Connecticut Agricultural College, and the Connecticut College for Women hold an enviable position among the institutions of higher learning of the country.

##### *Personal Conveyance*

Satisfactory passenger transportation to and from work and play has come to mean much in the life of an industrial community. The State of Connecticut is a veritable network of transportation arteries. There are 800 miles of trolley lines. There are over 2,000 miles of railroads and 1,800 miles of modern and improved highway, over which regularly established bus lines form connections to all points. Every point in the 4,965 square miles of the state's area is easily accessible.

##### *Individual Prosperity*

That the citizens of the state are prosperous is evidenced by the fact that their savings deposits amount to approximately \$670,000,000 held in the savings banks, and in addition, \$500,000,000 of savings held in the state banks and trust companies. Therefore, Connecticut citizens of the savings-account class possess liquid assets of over one and a quarter billion dollars — a condition which makes for satisfaction, a will to establish financial independence, and to participate in movements for civic betterment. Summarized — a condition which makes for industrial stability, high productivity and growth.

#### COMPETITION

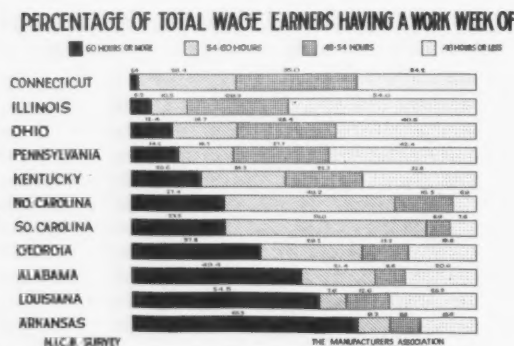
The fact that industrial Connecticut enjoys

1. Industrial stability,
2. A high rate of productivity per employe,
3. Humanitarian labor laws and regulations;
4. Tax rates and tax laws which enable industry to prosper,
5. An ever increasing total and per capita wealth,
6. A marked increase in the number of new industries,
7. A state legislature made up of men and women who recognize the asset of industrial and agricultural prosperity,
8. Adequate finances for the promotion of new enterprises,
9. Ideal factory sites, and
10. A constantly improving transportation system, added to the advantages which I have already enumerated, should efface from the minds of Connecticut and New England people the bugbear of southern and middlewestern competition, which has so needlessly alarmed them.

#### LABOR LAWS AND HIGH PRODUCTIVITY PER EMPLOYE

It is true that the New England mind, as represented by employer, as well as employe, will not tolerate fatiguing hours of work, nor improper working conditions. Humanitarianism and good sense is practiced without recourse to the enactment of restrictive legislation. Regardless of the fact that Connecticut statutes do not contain general restrictions as to the hours of labor, except in the case of women and children in certain industries, 42.4% of the wage earners of the state are employed

48 hours or less, while only 2.4% are employed 60 hours or over, a condition which compares most favorably with that in the states in which we are in competition in the textile



and metal lines — notably Illinois, Ohio, Pennsylvania, Kentucky, North Carolina; South Carolina, Georgia, Alabama, Louisiana and Arkansas. A favorable comparison, from an humanitarian standpoint, you will say, yet most unfavorable when viewed from the standpoint of productivity — but let us examine the facts. In the first place, we must admit that a law which permits 60 hours of labor, except in the occupations of slight fatigue and in case of emergency, cannot long endure. Connecticut manufacturers are now at the point in regard to hours of labor where the south is certain to arrive shortly. Second, would you as a manufacturer substitute your labor forces and your staff of sub-executives for the class of labor with which the southern manufacturer is forced to contend? You would not, because you realize that the ideal, social, financial and economic conditions offered by a state such as Connecticut attract a better class of operatives whose individual productivity is greater.

#### PRODUCTIVITY PER EMPLOYEE

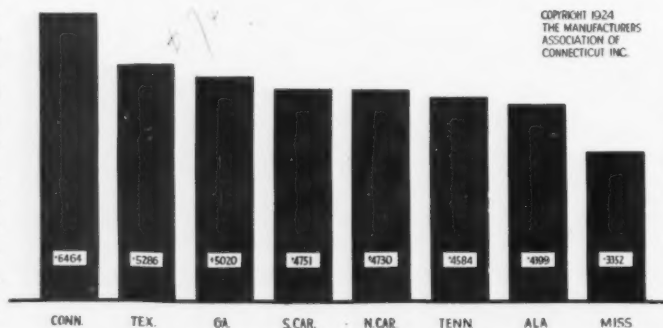
High productivity is based upon the type and training of employee quite as much as upon

the hours of labor per employee. That the Southern operatives cannot compete with Northern operatives must be conceded. The employees of the Connecticut cotton textile mills of certain typical types produce \$6,464 worth of goods each annually, while the employees of the Southern mills in each of the various states of that section produce as follows — Texas — \$5,286 per employee; Georgia — \$4,730 per employee; Tennessee — \$4,584 per employee; Alabama — \$4,399 per employee and Mississippi — \$3,352 per employee.

It is true that the variations of classes of goods manufactured in the states named require that certain corrections be made to the figures that I have just quoted in order to make it correct to the dollar. However, it is safe to conclude, after a complete study, that diversity is automatically equalized as among the states.

Of further interest is the fact that the new cotton mills of the South are costing \$60 per spindle, while the mills of New England are listed at from \$9 to \$25 per spindle. To summarize — Connecticut mills on the whole enjoy more advantageous freight rates than do the Southern mills; they are closer to the great consuming markets; they are more advantageously located in regard to fuel supply. Their operatives have a greater production capacity under present laws. Their future power problem is well on the way toward a solution and their mill and equipment investment is 50% lower than that of the Southern mills. In addition, they enjoy all the advantages which accrue to a plant located in a prosperous, progressive, health and energy giving state.

#### COMPARATIVE ANNUAL PRODUCTIVITY PER EMPLOYEE COTTON TEXTILE INDUSTRY



#### CAUSES OF MIGRATION OF INDUSTRIES

Why then has the impression gained ground that the textile industry is moving South, that the metal, woolen and paper industries are moving to the Middle West? Simply because Yankee ingenuity and managerial ambition will not be confined. The fact that the brains which have made possible the success of the X Company



of Connecticut, decide to establish a branch in South Carolina, Ohio, Wisconsin or Illinois is only proof of the statement which I have made that Connecticut managerial ambition will not be confined.

An investigation of the causes for the transfer of industries of different types to other states discloses the fact that the establishment of the new plant or branch has been carried out for one or more of the following reasons:

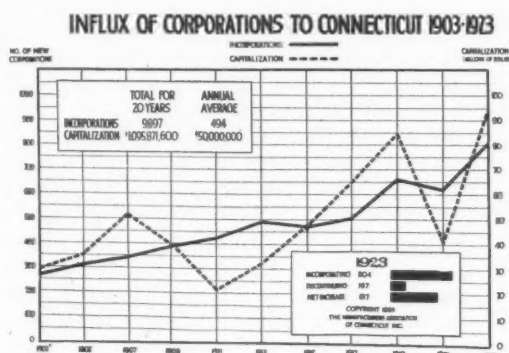
- 1 — For the purpose of employment of idle capital.
- 2 — For the purpose of specialty manufacture.
- 3 — For the purpose of following out the modern industrial idea that small manufacturing units under divided responsibility are more efficient than overgrown unit plants under undivided responsibility.
- 4 — For the purpose of experimentation or for affording the opportunity for reward of New England managers or relatives for whom an opportunity does not exist in the home plant.
- 5 — For the purpose of taking advantage of tax and incorporation laws of various states.
- 6 — For the purpose of taking advantage of the warehouse laws of other states.

In other words, our investigation seems to prove that Connecticut and New England are more than holding their own. In the order of things we could not expect to manufacture all textiles, all metals or all paper goods. As the population of the country increases and as the demand for a different and a wider variety of goods is created other sections of the country must come to the aid of New England. Because of sheer physical limitations New England could not continue to manufacture a majority of the materials and supplies necessary to meet the present demand. We are holding all of the industrial production which we have a right to expect to hold. We are experiencing a gradual and healthy increase and are assimilating all of the new industries which we can safely assimilate.

#### ANNUAL INCREASE IN THE NUMBER OF NEW INCORPORATIONS

It is true, of course, that conditions in any given locality might have so angered the management of a particular plant that they decided to move bag and baggage. Cases of this kind are exceptional, under present conditions, however, and are greatly overbalanced by the

number of new incorporations. As an illustration, 183 industrial concerns discontinued doing business in Connecticut during the year 1923, while 4 were moved to other states. On the other hand, 804 new corporations began doing business, a net increase of 617 corporations for a single year. That this large increase in the annual addition to the number of corporations doing business in the state of Connecticut is not unusual, is borne out by a



review of statistics for the past twenty years. The accompanying chart plotting alternating years from 1903 to 1923, shows a steady increase in the number of new incorporations together with a comparable increase in capitalization. During this 20 year period a total of 9,897 corporations with a total capitalization of \$1,095,871,600 have entered, an annual average of 494 corporations and an average capitalization of over \$50,000,000 per year. It is difficult to take seriously the prophecy of those who do not believe in Connecticut's industrial future.

#### THE STATE LEGISLATURE

Another most important factor which contributes to the stabilized condition of Connecticut and which makes the state a safe place in which to live and do business is the character of the Connecticut General Assembly. Probably nowhere in this country, or in any other country, is legislation enacted by men of more sound judgment with progressive yet dependable conservative tendencies. As I have said, we have no "Red" problem. Connecticut citizens will not allow a Communist to legislate for them. The men and women who are sent to the state legislature are for the most part citizens of the rural communities and are of that sturdy and conservative stock which demands that justice be administered. They recognize that needless laws are brakes to

economic progress. Living adjacent to the larger manufacturing centers they understand the problems of industry and will not countenance class legislation. Under such a body of law makers, labor receives its deserts, management is allowed reasonable exercise of prerogative, the funds of the investor are safeguarded, and the interests of the agricultural and other classes are protected and promoted.

#### TRANSPORTATION FACILITIES

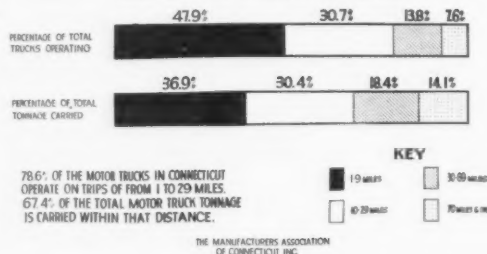
Adequate freight transportation facilities are vitally essential to successful industrial administration. In this matter Connecticut is particularly fortunate. Our rail facilities cover the state with 2,191 miles of track, leading to ten important gateways which give entrance and exit to seven of the largest rail systems of the country. Our geographical position on the Atlantic seaboard enables us to take advantage of direct water routes to all ports on the Atlantic and Gulf coasts, as well as to Europe and South America and Pacific ports, an advantage which enabled New England to claim nearly one hundred million dollars of the two billion total of goods exported from the United States during the first six months of 1924. There is not a port of importance on the coasts of the seven seas which does not do business with the industries of Connecticut. There is not an important section of the United States which cannot be reached by Connecticut industries via differential steamship routes at rates less than the standard all-rail rate. Besides our own ports of New London, Bridgeport and New Haven, we have the ports of Boston, New York and Philadelphia at our doors. In addition to being a great freight yard and a great seaport state, Connecticut has taken full advantage of that newest method of transportation—the motor truck.

I have spoken of the splendid roads and excellent traffic regulations, and you will be in-

terested to know that during the past twenty-four hours 33,180 motor trucks have moved along the highways of the state. Of these 89% are registered by the Connecticut State Motor Vehicle Department. The remainder are foreign-owned trucks which bring in raw ma-

#### MOTOR TRUCK TRIP LENGTH & TONNAGE HAUL IN CONNECTICUT

1922 SURVEY OF U.S. DEPT. OF AGRICULTURE



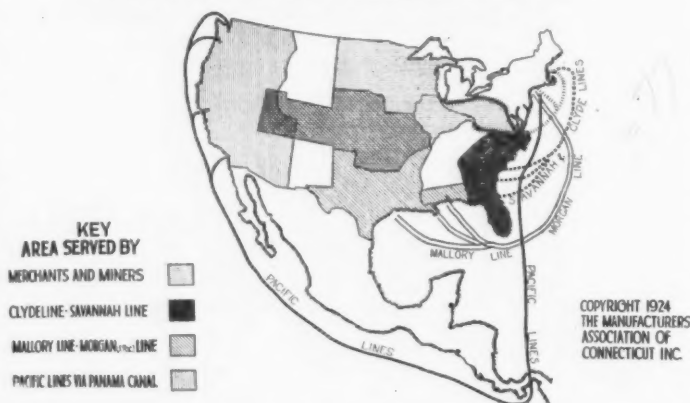
terial from adjacent states and return to those states with finished products. Furthermore, the rail transportation system has not suffered to any marked degree as yet, because of motor truck competition, since a proper designation of sphere has in part been developed; that is, the motor truck is used only for the short hauls, as evidenced by the fact that 78.6% of the motor trucks operate on trips of from one to twenty-nine miles and transport 67.4% of the total tonnage.

Those who are bewailing the future of Connecticut see ominous forebodings in the fact that rail movement of freight has not maintained the average which they feel that it should maintain. There is a serious fallacy

in the deduction of these individuals and that is that motor trucks and ships are available for the shipment and receiving of freight in Connecticut. The statistics on this subject prove conclusively that Connecticut in general and Connecticut tidewater in particular show a rate of industrial activity far above the average for the United States when taken as a whole.

#### ATLANTIC AND PACIFIC DIFFERENTIAL AREAS

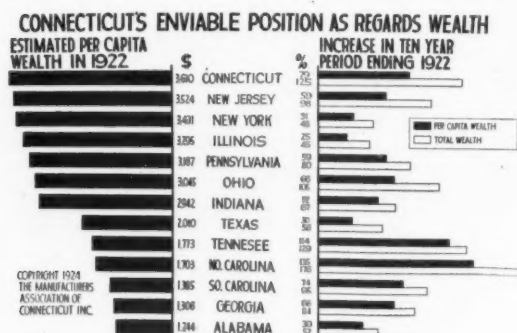
SERVED BY STEAMSHIP LINES OPERATING OUT OF NEW ENGLAND AT A RATE LESS THAN THE STANDARD ALL RAIL RATE



## INCREASE IN PER CAPITA WEALTH

Wealth must generally be taken as a gauge of industrial prosperity. Poverty cannot invest, maintain, nor expand.

Connecticut's ability to establish new industries and to maintain and expand existing industries is due in a great measure to the wealth which she possesses. Her per capita wealth in 1922 of \$3,610, the last year for which figures are available, was greater than that of



any other state in the Union. Using the years of 1912 and 1922 for the purpose of comparison, we may note that the present rate of increase per capita wealth of 78.7% stands well to the fore in the comparative percentage increases of other states which may be considered in competition to Connecticut in some given industry.

Likewise the so-called total wealth for the years of 1912 and 1922 show a high percentage of increase. It is true of course that a number of the Southern states are able to produce a higher per capita increase percentage. This is easily explained when we realize that these states are comparatively new industrially; that in 1912 and prior to that time industrial production on a large scale was practically unknown. On the other hand, Connecticut is gradually approaching the point of complete saturation so that the percentages of increase in estimated total wealth and per capita wealth for the comparative years of 1912 and 1922 places her in an enviable position.

## AGRICULTURE

No review of industrial accomplishments and promise is complete without reference to agricultural possibilities. Industry follows agriculture and is, in a measure, dependent upon it. It is, therefore, to be noted with satisfaction that there is an ever increasing tendency of New England business and New England agriculture to join together for the study of mutual

problems and to apply the solution of those problems to the general development of the state. This is as it should be for there is a complete interdependence of agriculture and industry. There must exist a proper balance of supply and demand, of adequate and efficient agricultural production on the one hand and of industrial production, distribution and consumption on the other.

With the advent of industry and with the opening up of the agricultural lands of the West, Connecticut agriculture declined — was allowed to decline. All thought was given to industrial development. The tide has now turned and the progressive citizen has come to realize that Connecticut agriculture must be fostered if industry is to continue to prosper. This viewpoint has had its effect. Connecticut agriculture is now worthy of the name and gives great promise for the future.

The average Connecticut farmer is producing somewhat more than the average farmer in the United States. The value of Connecticut produce per acre has increased 1000% during the last 40 years and the value of the produce per farm has increased 600% over the same period. Making all corrections for the fluctuations of the dollar, the value of Connecticut agricultural products has increased 500% in 40 years.

That Connecticut is experiencing a period of agricultural evolution just as it is experiencing an industrial evolution, there is not the least doubt. Our one and a half million people must be fed and they can be fed cheaper and better with Connecticut grown products.

Modern methods of soil fertilization can be utilized to make available unproductive land. Cattle raising can be fostered. Dairy farming can be extended. The raising of hogs and sheep can be made to produce enormous profits. Agricultural Connecticut has much in its favor and can regain its former prominence if business men and farmers will bend their joint efforts toward that end.

## CONCLUSION

And so I say that *Connecticut, the Workshop of the World, Connecticut, the Playground of America, and Connecticut, the State of Diversified Agriculture*, has made its mark up to and including the year 1924. It goes without saying that the same splendid courage, intelligence, determination and humanitarianism will accomplish as much in the future. Connecticut does not rest upon past laurels no matter how magnificent its achievement.

## ASSOCIATION ITEMS

### MEETING OF THE BOARD OF DIRECTORS

The regular monthly meeting of the Board of Directors was held at the Hotel Taft on December 23. Included in the program of business was a report by Mr. Raymond L. French, Chairman of the Traffic Committee, in regard to the Eastern Class Rate Investigation. The Board recommended the issuance of a bulletin and letters on this subject and these have already been received by members and such gentlemen as were asked to be of special assistance in various localities.

The chief item of business of the day was the report of the Special Railroad Committee which has had under investigation for some time the question of assistance by the Association in the refinancing of the New Haven Railroad. Mr. E. G. Buckland, vice-president of the road was present at the meeting and thanked the directors on behalf of the officers and directors of the New Haven Railroad for their assistance in this matter and the evidence they had manifested of cooperation between industry and the railroad. Mr. Henry B. Sargent presented the report of the Committee which was accepted and unanimously approved by the Board, and the results of the acceptance have been made public in the bulletins, press notices and advertisements which were issued during the month of January.

This Board recommended the enlargement of the Committee on Agriculture and accordingly Mr. Henry Trumbull of the Trumbull Electric Company of Plainville, Mr. F. J. Kingsbury of the Bridgeport Brass Company, Bridgeport, and Mr. C. Denison Talcott of Talcott Brothers, Talcottville, were asked to become members of that Committee. The Board further recommended that Mr. Elijah Rogers of Southington, Mr. Austin F. Hawes, State Forester, Mr. E. W. Hazen of Haddam, be asked to serve the Committee in an advisory capacity.

An invitation was also extended to Mr. W. H. Pease, Traffic Manager of the Bridgeport Brass Company, to become a member of the Traffic Committee; to Mr. W. T. Birney, vice-president of the Winchester Repeating Arms Company to accept appointment on the Industrial Relations Committee, and Mr. Fuller F. Barnes of the Wallace Barnes Co., Bristol, to accept appointment on the Committee on Finance and Taxation to fill the vacancy left by Mr. R. E. Anderson.

At the request of Mr. Henry Trumbull, the Board agreed to call a meeting of represen-

tatives of various agricultural organizations in the state, to discuss whether or not there is a need in Connecticut for a State Fair truly representative of the state's diversified interests. In cooperation with the Connecticut Chamber of Commerce, this meeting was called at the Hartford Club on January 23. In calling the meeting the two associations agreed to act as agencies for the purpose of drawing together the interested individuals and further action lies in the hands of a special committee appointed at the meeting.

### LEGISLATIVE COMMITTEE

The Association's Legislative Committee for 1925 consists of the following.

E. Kent Hubbard, Chairman  
 I. M. Ullman, Strouse, Adler & Co., New Haven  
 A. F. Corbin, Union Mfg. Co., New Britain  
 C. B. Cook, Royal Typewriter Co., Hartford  
 W. B. Knight, Quidnick-Windham Mfg. Co., Willimantic  
 C. T. Treadway, Horton Mfg. Co., Bristol  
 James T. Moran, S. N. E. Telephone Co., New Haven  
 C. T. Dimond, R. & G. Corset Co., So. Norwalk  
 J. P. Cameron, Hockanum Mills, Rockville  
 T. J. Bowen, Mallory Hat Co., Danbury  
 J. C. Sniffen, Lees Mfg. Co., Westport  
 Geo. F. Drake, New England Pin Co., Winsted  
 Newton C. Brainard, The Case, Lockwood & Brainard Co., Hartford.

One meeting of the Committee has been held and other meetings will be held frequently. The Association will give to its members this year the same legislative service as has been its custom in the past. This consists of frequent bulletins following the introduction of measures of importance, other bulletins following the progress of these bills and special bulletins where particular hearings require attention. Copies of the most important bills will be sent to all members and any other bills will be sent to members who may desire them, upon request.

### NEXT MONTH

PROFESSOR F. R. FAIRCHILD WILL WRITE ON THE RESULTS OF THE TAX SURVEY OF CONNECTICUT WHICH THE ASSOCIATION IS NOW CONDUCTING UNDER HIS DIRECTION.



## INDUSTRIAL NEWS AROUND THE STATE

### PIERCE SUCCEEDS WOOD WITH AMERICAN WOOLEN COMPANY

Andrew G. Pierce of New Bedford, Massachusetts, has succeeded William M. Wood, who recently retired because of ill health, as president of the American Woolen Company. Mr. Pierce, who will be sixty-two years old in March, has spent his life in the textile business. He graduated from Massachusetts Institute of Technology and went into his father's mill, gaining practical experience in all departments. For more than twenty years Mr. Pierce has been vice-president and director of the American Woolen Company and is also president of Pierce Brothers, Ltd., and of the Pairpont Manufacturing Company as well as treasurer of the Pierce Manufacturing Company and director of several banks.

*"Were I required to state an ethical code, I think I would say the first rule should be never to do something you do not approve of in order more quickly to accomplish something you do approve of."*

J. PIERPONT MORGAN.

### REORGANIZE NEW HAVEN CONCERN

The Barnum Machine and Pattern Works is the name under which the S. H. Barnum Foundry Company has been reorganized. The foundry business has been discontinued and James M. Woolson, formerly manager of the S. H. Barnum Company, heads the re-organized concern.

*St. Peter, to applicant, "Where are you from?"*

*"Los Angeles."*

*"We'll come in, but you won't like it."*

### FRASSE STEEL WORKS SOLD

The Frasse Steel Works, Inc. of Hartford, has recently been purchased by the Union Drawn Steel Company of Beaver Falls, Pennsylvania and will be operated as a department of the latter firm. R. K. Newman, vice-president in charge of the operations of the Frasse Company, will continue in that capacity and it is expected that the operating force will be largely increased.

*President Coolidge will soon appear in a "Made in Connecticut" beaver hat, the product of the Mallory Hat Company, Danbury, presented to him by a friend.*

### FIRST ANNIVERSARY OF J. B. POLLAK COMPANY, INC.

The J. B. Pollak Company, Inc., of Danbury, manufacturers of athletic underwear, recently celebrated the completion of their first year's operations in that city.

### EDGAR W. BASSICK GIVEN SILVER SERVICE

Upon his retirement from that concern, Edgar W. Bassick of the Bassick Company, Bridgeport, was recently presented with a silver service by his associates.

*The teacher was giving the class a lecture on "gravity."*

*"Now, children," she said, "it is the law of gravitation that keeps us on this earth."*

*"But please, teacher," inquired one small child, "how did we stick on before the law was passed?"*

—The Bristolite.

### DANBURY FIRM BUILDS ADDITION

Contracts have been let by Herman Walther, hat manufacturer of Danbury, for the erection of a three-story factory building to be used in conjunction with his present factory.

*Unto those who talk and talk*

*This proverb should appeal:*

*"The steam that blows the whistle*

*Will never run the wheel."*

### NEW INCORPORATIONS

Among firms newly incorporated in Connecticut are the following: Emble Manufacturing Company, Portland; Connecticut Toy and Novelties Company, Danbury; Concrete Products, Inc., Haddam; New England Steel Ball Corporation, Danbury; Mitchel Brothers, Inc., Bridgeport (underwear); Superior Manufacturing Company, Middletown (brake lining, auto accessories); Hartford Broom Company, Hartford; Day-Cope Company, New Britain (screws); Harper Manufacturing Company, Hartford; Karyan Company, New London (tools and machinery); Anderson Ship Yards, West Haven; Dayton Manufacturing Company, Torrington (tools, machines and appliances); Wilcox Lace Company, Middletown.

*"The great nations of the world are those that cultivate their crop of human beings as carefully as they guard their possessions. How long would England last without her able statesmen?"*

*Discovering and developing men of intelligence, courage, and responsibility is the chief concern of business organizations, as well as nations."*

—The Bigelow Magazine.

### HARTFORD COST ACCOUNTANTS MEET

The Hartford Chapter of the National Association of Cost Accountants met at the City Club, Hartford on January 20 for a dinner meeting. Mr. E. Kent Hubbard, president of the Manufacturers Association of Connecticut addressed the meeting on "The Executive's Viewpoint in Reference to Cost Figures."

## TRANSPORTATION

### EASTERN CLASS RATE INVESTIGATION

Through Bulletin 182 your Association advised its members of the importance of the Eastern Class Rate Investigation case which will come before the Interstate Commerce Commission for the first time on February 4, 1925. For some reason, not entirely clear, it has been most difficult to bring shippers and receivers of freight to a realization of the importance of this case.

Historically the case originated with an order on the part of the Interstate Commerce Commission that the carriers submit to it proposals for the revision of class rates which would have the effect of eliminating Fourth Section violation. For approximately seven years the carriers engaged in conferences in an attempt to arrive at definite conclusions agreed to by all parties of the carriers. However, it was not until recently that the proposed schedules were published and referred to the Interstate Commerce Commission.

An investigation of the proposals discloses the fact that approximately a 15% average increase is contemplated. Rumor has it that the published rates will be entirely revised by the carriers when they appear before the Interstate Commerce Commission on February 4th.

As indicated by the title of the case, all Eastern class rates will be affected. In general increases are proposed by the first five classes, with slight reductions in the sixth class. It need not be pointed out that the increases proposed will seriously penalize Connecticut manufacturers, since the inevitable result would be the establishment of such class rates on a mileage basis. Being distantly located from raw materials and supplies, and from large consuming centers, Connecticut, under the proposed rates, could not hope to compete with western, southern and middle-western manufacturers. As an illustration, the rate on every carload of steel shipped into Connecticut would be increased from \$10.80 to \$30.00. Every carload of furniture would be increased from \$18.00 to \$50.00, every passenger automobile increased \$10.00, and every motor truck increased from \$8.00 to \$20.00.

An investigation of the proposed rates points most clearly to a general increase in rates for all manufactured products which will affect practically every plant in Connecticut. Retailers are likewise affected, so that in this case practically every man, woman and child in Connecticut is an interested party.

Your Association has contributed a large amount of money in connection with the case and still has before it the possibility of equally large expenditures. It is not felt that the Association is justified in taking further funds of its members for this purpose, since, as has been stated, retail merchants and non-member manufacturers are equally affected. It has, therefore, sought the cooperation of various local chambers of commerce and of local manufacturers organizations in an attempt to distribute the burden of prosecuting the case. The Association has joined hands with the New England Traffic League and the Merchants Association of New York, and employed counsel to protect the interests of the shippers located in the districts named.

By consulting Traffic Bulletin No. 182, you will find the names of the organizations in your district which have taken the leadership in your particular locality. Your Association urges you to cooperate with this organization in securing for Connecticut a level of rates which will enable the manufacturers and retailers to compete with other sections of the country.

Your Association will be glad to supply you with any further detailed information.

### THE HAGUE RULES

The adoption of the Hague Rules which pertain to the carriage of goods at sea, has been the subject of extended study on the part of the Traffic Committee of the Association. On January 8 Congressman Edmonds introduced a bill, H. R. 11447, which incorporates these Rules with a general statement designed to include the original Harter Act.

The Association has not seen fit in the past to endorse the Hague Rules as such but with the additions of the provisions of the Edmonds Act it has given its support.

Copies of this bill may be secured from the Association's headquarters.

### NEXT MONTH

CONNECTICUT INDUSTRY  
OPENS ITS COLUMNS TO AD-  
VERTISERS, FOR THE FIRST  
TIME.

## FEDERAL LEGISLATION

In line with the forecast in our January issue, Representative Longworth has now definitely announced that no attempt will be made this session to secure the repeal of the tax publicity provision of the Revenue Act. The House has passed the Urgent Deficiency measure which carries appropriations totalling \$159,000,000, of which \$150,000,000 is for taxes illegally collected.

Mr. Barkley of Kentucky has stated that he will not urge the passage this session of the Howell-Barkley Bill (H. R. 7358) which would abolish the Railway Labor Board. A compromise bill is now being prepared, which he is prepared to sponsor in place of the original measure as he believes it has a better chance of passing.

Definite announcement has been made that there will be no tariff legislation this session.

Representative Merritt has introduced his misbranding bill (H. R. 11723), which is a compromise measure coming out of the introduction of a large number of "Truth-in-Fabric" bills at the last session of Congress and the measure was ordered favorably reported to the House.

Hearings have been re-opened on the bill providing for Government purchase of the Cape Cod Canal.

Representative Longworth is urging the appointment now, of committees for the 69th Congress. He believes this will do away with an extra session of Congress by making the committees available during the recess period.

The Army Appropriation Bill totalling \$331,131,114 has passed the House. The measure includes \$40,000,000 for improvement of rivers and harbors.

The Association has gone on record as favoring the bill introduced by Senator McLean (S. 3772) which would authorize reduction of the rates of interest to be paid by carriers upon notes or other indebtedness contracted during the period of government control. The Association has also advised Connecticut Senators and Representatives that it will favor the Edmonds Bill (H. R. 11447) which supplements certain provisions of the Hague Rules in regard to carriage of goods by sea.

### EDUCATION

S. 3873 (Sheppard) — Promoting prevocational education.

### FOREIGN TRADE

S. Res. 289 (Robinson) — Authorizing Senate Finance Committee to investigate Tariff Commission.

S. 3838 (Shipstead) — To authorize President, in certain cases, to modify visé requirements.

H. R. 11503 (Fish) — To authorize President, in certain cases, to modify visé requirements.

H. R. 11669 (Andrew) — Amending Section 315 of Tariff Act of 1922 and extending power of President.

### IMMIGRATION

H. R. 11072 (Box) — Amending act to make provisions applicable to Mexico, Cuba, Canada, Continental America and adjacent islands.

### MISBRANDING

H. R. 11723 (Merritt) — To protect public against fraud by prohibiting sale or shipment of misbranded articles.

### PATENTS

H. R. 11258 (Perkins) — To amend and consolidate copyright acts and permit United States to enter International Copyright Union.

H. R. 11279 (Perkins) — To authorize registration of trade marks used in commerce with foreign nations or among states or with Indian tribes.

H. R. 11403 (Lampert) — Amending Patent Law.

### POSTAL MATTERS

H. Res. 403 (Kelly) — Investigating employment condition in Postal Service.

S. 3799 (McKinley) — Authorizing use of precanceled stamped envelopes.

H. R. 11444 (Kelly) — To classify salaries.

### TAXATION

H. J. Res. 315 (Green) — Amending Constitution to prohibit issuance of tax-free securities.

H. R. 11083 (Chindblom) — Amending Section 1003 of Revenue Act of 1924.

H. R. 11084 (Chindblom) — Amending Paragraph (a) of Section 1014 of Revenue Act of 1924.

H. R. 11473 (Boyland) — Amending Section 216 of Revenue Act of 1924.

### TRANSPORTATION

S. 3772 (McLean). — To authorize reduction of rate of interest to be paid by carriers upon notes or other evidences of indebtedness heretofore issued under Sections 207 and 210 of the Transportation Act.

S. 3836 (Jones) — Amending Merchant Marine Act of 1920, Shipping Act of 1916 and for other purposes.

S. 3927 (Butler). — Revising railroad rates to ports on Atlantic coast and to prevent discrimination in favor of Philadelphia, Baltimore and Norfolk.

H. R. 11074 (Madden) — To authorize reduction of rate of interest to be paid by carriers upon notes or other evidences of indebtedness heretofore issued under Sections 217 and 210 of the Transportation Act.

H. R. 11309 (Lehlbach) — Amending Merchant Marine Act of 1920, Shipping Act of 1916 and for other purposes.

H. R. 11447 (Edmonds) — Relating to carriage of goods by sea.

H. R. 11541 (Peavey) — Providing for establishment of transportation lines on Great

Lakes and increase powers and duties of Inland Waterways Corporation, etc.

H. R. 11704 (Garber) — To promote foreign commerce through all ports and to prevent maintenance of port differentials and other unwarranted rate handicaps.

### VETERANS

S. Res. 287 (Sheppard) — To amend rules of Senate to provide for appointment of standing committee of 16 Senators for consideration of World War Veteran's legislation.

S. 3888 (Jones) — Amending World War Adjusted Compensation Act.

H. R. 11070 (Thomas) — To amend adjusted compensation act and providing that any veteran of World War holding adjusted service certificate may secure loan or cash.

H. R. 11249 (Swank) — Amending Section 200 of World War Veterans' Act of 1924.

H. R. 11406 (Rankin) — Amending Section 601 of World War Adjusted Compensation Act.

H. R. 11633 (Johnson) — Providing \$10,300,000 for war veteran hospitals.

H. R. 11639 (Briggs) — Amending World War Veterans' Act.

## INDUSTRIAL SERVICE

### THE STABILITY FACTOR OF THE PERSONNEL

In an effort to allocate the cost of turnover in any particular type of occupation, Earl B. Morgan, manager of the Employment and Service Department of the Curtis Publishing Company, has evolved a scheme which, while possibly not new, is certainly worthy of consideration.

"What particularly interests me in the statistics on labor turnover," Mr. Morgan says\*, "is what I have termed the stability factor, that is, the percentage of the total number of jobs in the organization in which there have been no exits during the year. It is computed by using as a numerator of the fraction the total number of employees who have been on the payroll for one year or more, at the end of any calendar year, and as the denominator, the average number of the working force you have tried to maintain, that is, the number of jobs.

"Let us apply this to an organization of five thousand. Let us suppose that this organization during 1923 had a stability factor of eighty per cent, which means that there were four

thousand out of the five thousand jobs in which there was no turnover, and which were held by people of one year or more experience. In other words, during 1923 none of the losses of turnover due to the recruiting, selection, placement and training of new employees were incurred in any of these jobs. The seventy per cent of turnover which this organization had during 1923 was applied to only twenty per cent of the jobs — one thousand. In other words, thirty-five hundred people were employed during the year to keep these thousand jobs manned.

"It goes without saying that this is a far more desirable situation than if the seventy per cent turnover had been applied to seventy per cent of the jobs, that is, if there had been a stability factor of only thirty per cent, in which event this organization would have had a ballast of experienced workers through the year of only fifteen hundred and all the expense and effort of bringing in new employees would have been distributed over thirty-five hundred jobs instead of a thousand."

\*American Management Review.



## FEDERAL TAXATION SERVICE BUREAU

### EARNED INCOME DEDUCTION

Early returns made to the Internal Revenue offices indicate that many persons are failing to take advantage of the earned income deductions allowable under the Revenue Act of 1924, and we would suggest that an effort might well be made by all employers to make sure that their employes understand this provision.

Under the new law all net income up to \$5,000, but in no case over \$10,000, is considered as earned income and a taxpayer is entitled to a credit against that amount equal to 25% of the amount of the tax. "Earned net income," of course means the final earned income after proper deductions, such as business expense, for example, have been made. We quote the following from an explanation of this prepared by the Treasury Department and appearing in the Federal Trade Information Service:

"The Revenue Act of 1924 contains a special provision for reduced taxes, which did not appear in previous laws. All net income up to the amount of \$5,000 is deemed to be earned income. On this amount the taxpayer is entitled to a credit of 25 per cent of the amount of the tax. For example a taxpayer, unmarried and with no dependents, whose net income for 1924 was \$5,000 would pay without this reduction a tax of \$80. His actual tax is \$60. From his net income of \$5,000 he is allowed a personal exemption of \$1,000; the tax of 2 per cent on the first \$4,000 is \$80, one-fourth of which, or \$20, may be deducted.

"In no case is the earned income considered to be in excess of \$10,000. As an instance, a taxpayer, married and with two dependent children received in 1924 a salary of \$12,000. His total tax, including normal and surtax, without the 25 per cent reduction on earned net income would amount to \$302. However, he may deduct from \$10,000, the maximum amount of earned net income, \$3,300 — a personal exemption of \$2,500, plus a \$400 credit for each dependent. On the remaining \$6,700, his tax amounts to \$188 — 2 per cent on the first \$4,000 and 4 per cent on the \$2,700. One-fourth of this amount, or \$47, deducted from \$302 leaves \$255 as the amount of tax due.

"Another example is that of a married man with no dependents whose salary was \$3,000 and who made in a real estate transaction a

profit of \$4,000. On a net income of \$7,000 his tax, without the benefit of the 25 per cent reduction, would amount to \$100 — \$7,000 less a personal exemption of \$2,500, equalling \$4,500, on which the tax on the first \$4,000 at 2 per cent is \$80 and on the remaining \$500 at 4 per cent is \$20. But while his net income from salary was only \$3,000, the act provides that \$5,000 shall be considered as earned income. From \$5,000, therefore, is deducted his personal exemption of \$2,500, the tax on the remainder at 2 per cent amounting to \$50. One-fourth of this amount, or \$12.50, may be deducted from \$100, leaving \$87.50 as the amount due."

### TAX BOARD DECISIONS OF INTEREST

No. 108 — Unless usual and reasonable means have been used and exhausted in unsuccessful attempts to collect amounts due it, a corporate taxpayer may not deduct such amounts from its taxable income for the year during which it wrote them off its books as bad debts.

An amount distributed as dividends and later returned to the corporation by the stockholders may not be included in invested capital from the date of the payment of the dividend to the date of its repayment to the corporation.

No. 121 — A taxpayer who keeps his accounts on a cash receipts and disbursements basis may not deduct from gross income, as for a bad debt, an item of accrued interest which he had not at any time previously treated as income or reported as taxable income.

No. 135 (1) — Worthless debts arising from unpaid rents and similar items of taxable income are not properly deductible as bad debts unless the income such items represent has been treated as income and included in the return of income for the year in which the deduction as a bad debt is sought to be made or in a previous year.

No. 115 — A corporation owning shares of stock in a number of different domestic corporations and in 1919 receiving dividends from some of them and profits from the sale of some of them is entitled to include in admissible assets for 1919 such part of the capital invested in the shares as the profit from the sales bears to the total income from all inadmissible assets.

## SALES EXCHANGE

*In this department members may list without charge any new or used equipment or supplies. All copy must be in the hands of the editor by the fifteenth day of the month preceding publication.*

### FOR SALE

2—Type A-17 Hunt electric industrial platform trucks with demountable tires.				.135 Carbon steel wire	61 lbs.
1—500 gallon Ruud multi-coil hot water system with galvanized iron tank and automatic temperature control. Address S. E. 101.				.135 Bright Bessemer wire, hard	500 "
				.135 Soft basic square wire	226 "
				3/8 x 3/32 Half oval mild steel wire	1,165 "
				.080 x .150 Oval brt. soft basic wire	890 "
				.142 x .350 H. Rd. " " "	119 "
				.125 x .225 Brt. basic H.Rd. wire in 6-ft. lengths	3,263 "
No. 0	Soft bright basic wire	930 lbs.	No. 14	Liquid drawn wire (basic)	2,063 "
00	" " " "	469 "	14 1/2	" " " "	2,092 "
1	" " " "	2,915 "	16	" " " "	924 "
2	" " " "	934 "	17	" " " "	940 "
3 1/2	" " " "	578 "	.042	" " " "	89 "
5	" " " "	43 "	.114	" " " (Bessemer)	120 "
6	" " " "	666 "	.018 x 5/32	Polished snap spring wire	295 "
7	" " " "	271 "	.071 x .190	" " " "	1,247 "
7 1/2	" " " "	4,075 "	.020 x .450	Aluminized " " "	625 "
9 1/2	" " " "	12,708 "	.025 x .340	" " " "	178 "
11 1/2	" " " "	3,500 "	.025 x .590	" " " "	195 "
12	Tinned finish Bessemer wire	183 "	.030 x .140	" " " "	643 "
13 1/2	Bright basic wire	257 "	.032 x 20/64	" " " "	9,940 "
15	Soft bright basic wire	11,063 "	.038 x .365	" " " "	1,426 "
16	" " " "	534 "	Address S. E. 102		
.049	" " " "	897 "			
.078	Square bright basic wire	1,229 "			
.098	Hard bright Bessemer wire—high carbon	344 "			
.102	Soft bright basic wire	2,276 "			
.110	" bright Bessemer wire	430 "			
.114	" " " "	2,846 "			
.128	" " " "	1,882 "			

### WANTED TO BUY

Factory building in Connecticut 70 to 100 ft. long but not less than 53 feet in width, suitable for light textile manufacturing. Good railroad facilities essential.

Address S. E. 103.

## EMPLOYMENT SERVICE

*This department is open to all members without charge. All copy must be in the hands of the editor by the fifteenth day of the month preceding publication.*

**SHOP SUPERINTENDENT:** Twelve years' experience with manufacturer of industrial trucks, tractors, etc., part of that time as superintendent. Experienced also as tool-maker and machinist. Curtailment of personnel necessitates new employment. Address P. W. 150.

**PURCHASING AGENT:** University graduate. Practising chemist 20 years. Conducted own job plating and manufacturing business for 2 years. Experienced in purchase of laboratory and factory supplies. Address P. W. 151.

**SUPERINTENDENT:** Twenty years' experience in tool and machine design and construction, about fifteen of which was with Connecticut concerns as foreman, superintendent or in supervising building of special machinery, etc. Available at once. Address P. W. 152.

**BOOKKEEPER AND OFFICE MANAGER:** Age 35, married. Experience in sales department, pay office, in voice department of commercial concerns; one year in railroad manifest department, yeoman in Navy Department detailed to establish central office system; one year charting production work and compiling statistics for Connecticut concern. Address P. W. 153.

**TRAFFIC MAN:** Long experience as freight agent on New Haven Road. Consolidation of offices necessitates new position. Address P. W. 154.

**SALESMAN:** Age 35, married. Several years' experience with western lumber concern and furniture manufacturers; also with adding machine company in middle-western territory. Address P. W. 155.

**ACCOUNTANT:** College graduate, 45 years old, married. Commercial experience, credit, collections, adjustments; also factory production methods. Six years with J. P. Morgan and Co., one year with Edison Mfg. Co., and six years with other corporations in auditing advertising and publicity work. Address P. W. 109.

**COST ACCOUNTANT:** Thirteen years' experience as cost accountant in Connecticut manufacturing concern. Practical experience as foreman and in purchasing and other factory departments. Address P. W. 145.







